



Partners Group

REALIZING POTENTIAL IN PRIVATE MARKETS

Press release

Baar-Zug, Switzerland, 22 March 2016

Partners Group reports solid financials for 2015 and proposes an increased dividend of CHF 10.50 per share

Highlights

- **USD 9.7 billion invested** across all private markets asset classes in 2015 (2014: USD 7.9 billion) on behalf of our clients
- **Gross inflows of EUR 8.4 billion** in 2015 (2014: EUR 6.1 billion) across regions, size and types of clients; expected range of EUR 7-9 billion in gross client demand reconfirmed for 2016
- **Revenues** increased by 8% to CHF 619 million (2014: CHF 574 million) despite foreign exchange headwinds
- **EBITDA** impacted by foreign exchange development, increasing **in line with revenues** by 6% to CHF 367 million (2014: CHF 347 million)
- **EBITDA margin** at 59%; target EBITDA margin of ~60% for new business confirmed
- **Financial result** of CHF 81 million (2014: CHF 37 million) driven by strong performance in clients' portfolios, including a gain of CHF 52 million from the firm's holding in the investment program Pearl
- Bottom line continues to follow top line with **IFRS net profit** increasing by 6% to CHF 396 million (2014: CHF 375 million) in 2015; **adjusted net profit** increased by 18% to CHF 396 million (2014: CHF 336 million)
- Partners Group's Board of Directors will propose a **dividend** of CHF 10.50 per share (2015: CHF 8.50 per share) to shareholders on 11 May 2016, representing an increase of 24%

In 2015, Partners Group celebrated its 20th anniversary and its 10th year as a public company listed on the SIX Swiss Exchange. The firm further strengthened its position as one of the world's leading private markets investment managers, with EUR 46 billion in assets under management (AuM) and 840 employees in 18 offices worldwide as of 31 December 2015. The firm's **global client demand in 2015** was well spread across all asset classes and continued to be highly diversified across regions, size and types of clients. Corporate and public pension funds continued to be the key contributors to AuM growth, representing the majority of the inflows. The remaining

demand stemmed from other institutional investors, such as insurance companies, sovereign wealth funds and endowments, as well as from Partners Group's distribution partners.

André Frei, Partner and Co-Chief Executive Officer, Partners Group, comments: *"As investors continue to search for alternative sources of returns to meet their long-term liabilities, we see an ongoing shift away from traditional asset allocations with high fixed income exposure towards more diversified portfolios, including meaningful allocations to private markets, for which allocations have been very low historically. We see this as a trend that is expected to continue in the long term, implying a continued rise in appetite for private markets."*

Summary of financial figures

<i>Key figures 2014 and 2015 (in CHF m)</i>	<u>2014</u>	<u>2015</u>	
Revenues¹	574	619	+8%
Management fees ²	540	555	
Performance fees	34	64	
EBITDA	347	367	+6%
Financial result	37	81	
Adjusted net profit³	336	396	+18%
IFRS net profit	375	396	+6%

¹ Revenues from management services, net, including other operating income and share of results of associates.

² Management fees include recurring management fees and other income, including late management fees.

³ Adjusted for certain non-cash items relating to the capital-protected investment program Pearl.

Financials: build-out of business beats foreign exchange headwinds

This year's record Euro AuM increase of 22% translated into 8% Swiss franc revenue growth in 2015 because of foreign exchange rate developments between the Euro, US dollar and Swiss franc during the reporting period. **Revenues** rose to CHF 619 million (2014: CHF 574 million) for the full year. **Management fees** increased by 3%, amounting to CHF 555 million in 2015 (2014: CHF 540 million), while **performance fees** almost doubled to CHF 64 million (2014: CHF 34 million), representing 10% of total revenues in 2015. Ongoing distribution activity has driven forward the maturity profile of numerous client portfolios and increased the visibility of future performance fees, which are expected to ramp up to as much as 20% of total revenues over the years to come.

Partners Group manages its costs in a disciplined manner. Nonetheless, the strengthening of the Swiss franc against other currencies in early January 2015 impacted the **EBITDA margin**, bringing it to 59% in 2015 (2014: 60%). The firm's **EBITDA** amounted to CHF 367 million (2014: CHF 347 million) and increased by 6% during the period. Going forward, and assuming that foreign

exchange rates remain stable, the firm will continue to target an EBITDA margin of ~60% for newly generated management fees, as well as for performance fees on existing and new AuM.

Partners Group invests in its investment programs alongside its clients. In 2015, strong value creation and performance generation in these investment programs were the largest contributors to the **financial result**, which amounted to CHF 81 million (2014: CHF 37 million). CHF 52 million of this stemmed from Partners Group's investment in **Pearl** in the context of its conversion into a closed-ended structure as requested by the program's investors. Pearl is expected to have limited contribution potential in the future, as proceeds from exits of the underlying portfolio will be converted into cash through income statement-neutral distributions.

In summary, the firm's **IFRS net profit** increased by 6% in 2015, standing at CHF 396 million (2014: CHF 375 million). During the same period, the **adjusted net profit** increased by 18% to CHF 396 million (2014: CHF 336 million). With the successful conversion of Pearl, Partners Group's adjusted net profit equals its IFRS net profit from 2015 onwards.

Based on the solid development of the business in all asset classes and regions, the operating result and confidence in the sustainability of the firm's growth, Partners Group's Board of Directors will propose a **dividend** of CHF 10.50 per share (2015: CHF 8.50 per share) to shareholders at the Annual General Meeting on 11 May 2016. This represents a dividend increase of 24% year on year.

Outlook

For the full year 2016, Partners Group expects client demand for its investment programs and customized mandates to continue to be spread across all asset classes, regions and types of investors. The firm reconfirms expected **2016 gross client demand** of EUR 7-9 billion (2015 guidance: EUR 6-8 billion), together with EUR -2.5 to -3.5 billion in tail-down effects from the more mature Partners Group programs and potential redemptions from liquid and semi-liquid programs (2015 guidance: EUR -2 to -3 billion).

As the general pace of economic growth remains low on aggregate and markets have become increasingly volatile, Partners Group believes that the search for investment opportunities with value creation potential must go beyond sectors or regions and into the specific trends that are transforming industries and consumer habits. The firm expects institutional investors worldwide to continue to focus on those investment managers with the required set-up to take advantage of these types of investment opportunities and capable of building up global portfolios across private equity and private debt, as well as across real assets such as infrastructure and real estate.

Christoph Rubeli, Partner and Co-Chief Executive Officer, Partners Group, states: *"Our ability to transact upon transformative growth trends as a lead investor across the entire private markets spectrum has received praise from both clients and the broader private markets industry. We were awarded 'Mid-market firm of the year in North America' by Private Equity International based on our private equity activities in the US in 2015. We were also named 'Multi-manager of the year' by Private Equity Real Estate for North America, Europe and Asia based on our achievements in these regions' private real estate markets. These awards demonstrate the truly global depth of our investment platform and highlight our positioning in the market."*

Press conference and annual report 2015

Partners Group's senior management will hold a press conference to discuss the annual results today at 9.00am CET at the SIX ConventionPoint in Zurich. Dial-in details for the conference can be obtained using the contact details below.

The annual report as of 31 December 2015 was published today at 7.00am CET and is available for download at www.partnersgroup.com/financialreports.

Key dates 2016

11 May 2016	Annual General Meeting
17 May 2016	Ex-dividend date
18 May 2016	Dividend record date
19 May 2016	Dividend payment date
14 July 2016	Announcement of AuM as of 30 June 2016
13 September 2016	Interim results and interim report as of 30 June 2016

About Partners Group

Partners Group is a global private markets investment management firm with over EUR 46 billion (USD 50 billion) in investment programs under management in private equity, private real estate, private infrastructure and private debt. The firm manages a broad range of customized portfolios for an international clientele of institutional investors. Partners Group is headquartered in Zug, Switzerland and has offices in San Francisco, Houston, New York, São Paulo, London, Guernsey, Paris, Luxembourg, Milan, Munich, Dubai, Mumbai, Singapore, Shanghai, Seoul, Tokyo and Sydney. The firm employs over 800 people and is listed on the SIX Swiss Exchange (symbol: PGHN) with a major ownership by its partners and employees.

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